

INLAND VALLEYS REALTOR®

THE OFFICIAL PUBLICATION OF THE INLAND VALLEYS ASSOCIATION OF REALTORS®



Thank You

Members for Helping to Make a
Difference This Election Day

FOR MORE INFORMATION GO TO PAGE 3



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NOVEMBER 2018

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THANK YOU

Members for Helping to Make a Difference This Election Day



JOE CUSUMANO,
2018 IVAR PRESIDENT

This election day, the REALTOR® Party was on the winning side of most of our efforts in a year when housing was placed squarely before voters. The impact of voters' support for Propositions 1 and 2 and overwhelming rejection of Proposition 10 means more working families will be able to come off waiting lists and into homes they can afford, fewer Californians will need to sleep on the streets and rent control won't expand without limit throughout the state.

Unfortunately, we took a significant loss too. Voters struggled to untangle a strangely worded Proposition 5. The REALTOR®-sponsored initiative quite simply allowed senior and disabled homeowners, along with victims of natural disaster to move without facing a significant property tax increase. Unfortunately, the state of California worded it like this:

"Changes requirements for certain property owners to transfer their property tax base to replacement property initiative constitutional amendment and statute.

- Removes the following current requirements for homeowners who are 55 years old or severely disabled to transfer their property tax base to a replacement residence: that replacement property be of equal or lesser value, replacement residence be in a specific county, and the transfer occur only once.

- Removes similar replacement value and location requirements on the transfer for contaminated or disaster-destroyed property
- Requires adjustments to the replacement property's tax base, based on the new property's value."

As you might notice, none of the official language even attempted to hint at limiting tax increases from moving. The fact that even 42 percent of Californians supported this initiative is not easy to understand given that it's hard to tell what they were voting for – or against.

When it comes to tax transferability, we'll be back. But let's take some time to focus on what was gained.

The significant defeat of Prop 10, one of the two top priorities (along with Prop 5) for REALTORS® means that voters have now weighed in overwhelmingly to oppose the limitless expansion of rent control in California. Prop 10 would have eliminated no-go areas for rent control, allowing it to impact single family homes, brand new construction and to apply to vacated units.

At last count, the measure was defeated by a margin of more than 2.2 million votes. Scarcely more than 40 percent of voters supported Prop 10. If voters voices mean anything, that margin should bring the all

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Election Day



PAUL HERRERA,
GOVERNMENT AFFAIRS DIRECTOR

For the most part, IVAR enjoyed wide success this election day. REALTOR®-supported candidates for office won in nearly every race where we supported a candidate. Three of four REALTOR®-backed voter initiatives at the state level broke our way – and by significant margins.

I would like to take a moment to congratulate IVAR member Ryan Hutchison for becoming the newest member to be elected to office in our region. Ryan won a close contest for Rancho Cucamonga City Council and will be a tremendous addition that city's leadership. He joins a growing list of REALTORS® to be elected to serve in their community. Others include former IVAR President Steve Manos who is in his second term on the Lake Elsinore City Council, IVAR board of directors member Jesse Armendarez who is two years into his first term on the Fontana City Council and member Brent Lee who serves on the Riverside Unified School District Board of Education.

IVAR has proudly supported all of these members in their campaigns and look forward to supporting more members who aspire to leadership in their communities.

We would also like to thank all of our REALTOR® members who took part in helping to support Prop 5 and oppose Prop 10 on the state ballot. We won Prop 10 overwhelmingly

with nearly 60 percent of Californians rejecting the effort to allow rent control to expand without limit. In Riverside and San Bernardino Counties, the margin surpassed 2-to-1 rejection of that measure with almost 70 percent of voters saying no.

Prop 10 would have allowed rent control to expand to include single family homes, new construction and vacant units. It would have eviscerated the compromise created more than 20 years ago to allow cities like Los Angeles and San Francisco to maintain their rent control policies while creating reasonable guard rails to limit the impact on new construction – which is the real way in which we address housing affordability.

Unfortunately, we didn't fare so well in our other priority on the ballot. A very confusing ballot title provided to voters by the state of California made Prop 5 a difficult sell. IVAR President Joe Cusumano goes into a little more detail on this in his column this month. The REALTOR®-sponsored initiative would have allowed seniors and disabled homeowners to keep their prop 13-protected tax basis when they move within California. This would allow them to move without facing the significant tax penalty faced by most homeowners who have remained in their current home for decades. The fact that

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GAD UPDATE

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the average senior hasn't moved in this century makes this a significant issue in the housing market.

Fortunately, the bad news largely ends there. Voters agreed with IVAR on almost all elected offices and decisions. At the state level, that included support for Propositions 1 and 2. These proposals recharge funds for affordable housing, veterans housing financing and creates new sources of funding to help address the homelessness crisis wracking our state.

In December and January, we will be working on setting up our priorities for the next couple of years. Housing will be at the top of the priority list for California leaders – which means we'll be asking our members to stay engaged and help us win the debate. For better or worse, the work only begins when election day ends.

Paul Herrera is the Government Affairs Director for the Inland Valleys Association of REALTORS®. You can reach him at pherrera@ivaor.com or by phone at 951-500-1222.

PRESIDENT'S MESSAGE

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sides of the housing affordability debate back to a discussion over more productive means of addressing the crisis in California. And by productive, I mean producing actual homes for actual people to actually live.

Prop 1, meanwhile, means \$4 billion in new bonds to recharge the CalVet program that helps finance homes for veterans and continuing funding for building of new units for low and very low income residents to afford.

Prop 2 authorized the biggest new source of funding not just to house homeless Californians, but also to provide necessary mental health and substance abuse programs that can help move them off the streets and into a life they can better sustain.

Overall, I'd like to thank all of our members for your help in spreading the word on each of these initiatives. Your efforts made a difference. Perhaps you can't win them all. However, without your support, we would have a tough time winning any. Thank you!

Support our Mission, Support the REALTOR® Party

The most important thing each member can do to support our government affairs work is to stay informed and help spread the word on important issues to your colleagues, clients, friends and neighbors. Nothing is more important than your time, including the time you devote to making your voice heard at the ballot box each election day.

Our work is supported through voluntary contributions made by members to the REALTOR® Action Fund. These annual contributions of \$49 or more help ensure that we have the resources to research important issues, communicate with our members and mobilize our industry to have the impact necessary to make a difference.

You can make a contribution as you renew your membership – or anytime by going to www.car.org/governmentaffairs/raf.

Questions? Comments? You can reach Paul Herrera, Government Affairs Director, at pherrera@ivaor.com or on his cell phone at 951-500-1222.



Landlord Must Accept Rent from Third Parties

(Assembly Bill 2219 codified as an amendment to Civil Code § 1947.3. Effective January 1, 2019)

Presently landlords often refuse to accept rent payment from anyone but the tenant since doing so may create an unintended tenancy. This new law requires a landlord to accept rent from a third party when the third-party signs an acknowledgement. Specifically, this new law:

- o Requires a landlord or landlord's agent to allow a tenant to pay rent through a third party when the third party provides a signed acknowledgment stating that they are not currently a tenant of the premises and that acceptance of the rent payment does not create a new tenancy with the third party.
- o Specifies the language of a form acknowledgment that landlords may, but are not required to, provide for use by third parties when rent is tendered to a landlord on behalf of a tenant.
- o Clarifies that none of these provisions shall be construed to require a landlord or landlord's agent to enter into a contract in connection with a federal, state, or local housing assistance program, including, but not limited to, the federal housing assistance voucher program under Section 8.
- o Clarifies that none of the above provisions enlarge or diminish a landlord's or landlord's agent's legal right to terminate a tenancy, nor are intended to extend the due date for any rent payment or require a landlord or landlord's agent to accept tender of rent beyond the expiration of the 3-day period to pay or quit.
- o Provides that a waiver of these provisions is contrary to public policy and is void and unenforceable



Inspection of Decks, Balconies, Stairways, and Walkways

(Senate Bill 721 is codified as Civil Code § 1954 and Health and Safety Code §§ 17973 et seq. Effective January 1, 2019.)

- o This law requires that buildings with 3 or more multifamily dwelling units with decks, balconies, stairways, and walkways must be inspected by a properly licensed person by January 1, 2025, and a subsequent inspection must be done every 6 years. The owner would have to make repairs if the inspector found that the decks or balconies needed repair.
- o All repair and replacement work shall be performed by a qualified and licensed contractor. A permit for the repairs must be applied for within 120 days of receipt of the inspection report, and the owner has 120 days more to complete the repairs.
- o If the inspection reveals conditions that pose an immediate hazard to the safety of the occupants, the inspection report must be delivered to the owner of the building within 15 days and emergency preventive measures must be performed "immediately" with notice given to the local enforcement agency. Local enforcement agencies may recover enforcement costs associated with these requirements.
- o The local enforcement agency is required to send a 30-day corrective notice to the owner of the building if repairs are not completed on time. The law provides for civil penalties and liens against the property for the owner of the building who fails to comply with these provisions.
- o A landlord is authorized to enter the dwelling unit to comply with the requirements.
- o Common interest developments are exempted. However, any buildings proposed for conversion to condominiums to be sold to the public after January 1, 2019, must have the required inspection conducted prior to the first close of escrow of a separate interest in the project. The inspection report and written confirmation by the inspector that any recommended repairs or replacements have been completed to be submitted

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to, among others, the Department of Real Estate. C.A.R. is working with the DRE Subdivision section to amend the Condominium Conversion Subdivision Purchase

Agreement (CCSPA) (which was developed at the request of, and previously approved by, the DRE for use with condominium conversions) to meet this obligation.

Landlord Tenant: Price Gouging and Eviction During a Declared Emergency



([Assembly Bill 1919](#) is codified as Penal Code § 396 and Government Code § 8588.8. Effective January 1, 2019.)

This new law defines “Housing” to mean any rental housing with an initial lease term of no longer than one year.

It retains the 10% maximum rental price increase during declared state of emergencies, and additionally:

Expands the scope of criminal price gouging by including rental housing that was not on the market at the time of the proclamation or declaration of emergency. And defines the rental price for purposes of the crime of rent gouging as:

- o For housing rented at the time of the proclamation or declaration of emergency, the actual rental price paid by the tenant.
- o For housing not rented at the time of the declaration or proclamation, but rented, or offered for rent, within one year prior to the proclamation or declaration of emergency, the most recent rental price offered before the proclamation or declaration of emergency. This amount may be increased by 5% if the housing was previously rented or offered for rent unfurnished, and it is now being offered for rent fully furnished. This amount shall not be adjusted for any other good or service, including without limitation gardening or utilities, currently or formerly provided in connection with the lease;
- o For housing not rented, or not offered for rent, within one year prior to the proclamation or declaration of

emergency, 160% of the Fair Market Rent established by the US Department of Housing and Urban Development. This amount may be increased by 5% if the housing is offered for rent fully furnished. This amount shall not be adjusted for any other good or service, including without limitation gardening or utilities, currently or formerly provided in connection with the lease.

This new law makes it illegal to evict a tenant during a declared state of emergency or any extension and offer to rent to another person at a higher price, except for cause such as 1) non-payment of rent, 2) breach of covenant, 3) lease termination, 4) improper subletting, waste, nuisance or illegal use, or 5) as otherwise permitted by Code of Civil Procedure § 1161.

The new law allows a greater than 10% rental price increase if directly attributable to additional costs for repairs or additions beyond normal maintenance that were amortized over the rental term.

The new law clarifies that it remains in force during the state of emergency or any extension and that it applies to mobile homes.

It is not a defense to a prosecution that an increase in rental price was based on the length of the rental term, the inclusion of additional goods or services (except with respect to furniture), or that the rent was offered by, or paid by, an insurance company, or other third party, on behalf of a tenant.

Housing Data Report October 2018

The Voice of Real Estate in the Inland EmpireSM



A report brought to you by the Inland Valleys Association of REALTORS® (IVAR)
www.ivaor.com

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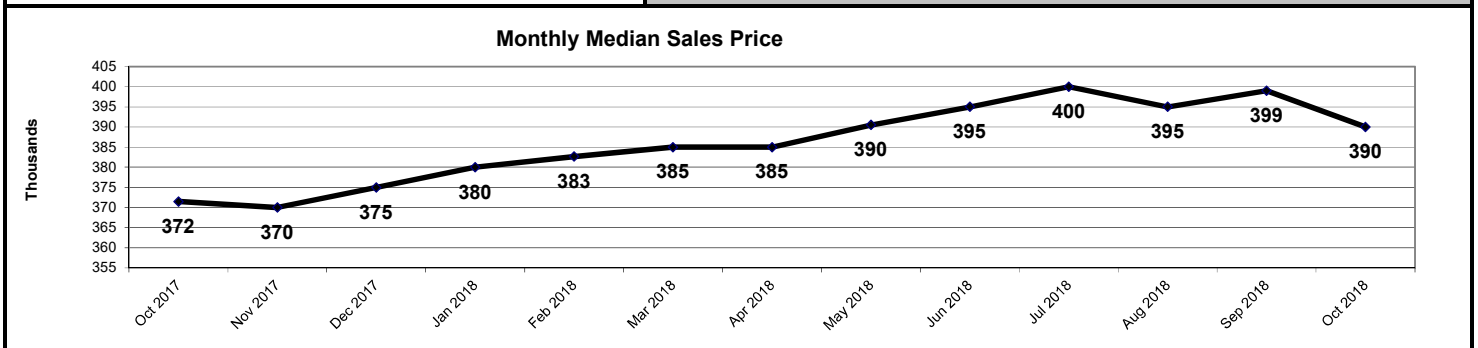
Mark Dowling, Chief Executive Officer

- With the housing market data nearing the end of the year, 2018 reflects a mostly positive but shifting real estate market. When comparing year-over-year 2018 data to 2017 housing data, New Listings are up (4.8%), however Sold Listings are down 7.8%. As increased New Listings convert to Sold Listings, the 7.8% Sold Listings percentage should decrease over the next several months. However, housing demand is softening with inventories and Days on Market increasing.
- The recent decrease in demand for the month of October caused the "Combined Days on Market" to increase to 27 days, which is nearly a 35% increase. This increase was nearly identical to the increases in September.
- Although annual Median Sales price is up 5% to \$390,000, it has been generally flat the last five months of 2017.



	Oct-2017	Oct-2018	Annual Change
Monthly New Listings			
New Listings	4,090	4,676	↑ 14.3%
Pending Sales	3,619	3,367	↓ -7.0%
Sold Listings	3,648	3,383	↓ -7.3%
Median Sales Price	\$371,500	\$390,000	↑ 5.0%
Sales Volume (\$M)	\$1,477	\$1,422	↓ -3.7%
Monthly Closed Listings			
Price/Sq.Ft.	\$213	\$222	↑ 3.9%
Sold \$/List \$	99.25%	98.11%	↓ -1.1%
Days on Market	20	27	↑ 35.0%
CDOM	22	30	↑ 36.4%

All data used to generate these reports comes from the California Regional Multiple Listing Service, Inc. If you have any questions about the data, please call the CRMLS Customer Service Department between the hours of 8:30am to 9:00pm Monday thru Friday or 10:00am to 3:00pm Saturday and Sunday at 800-925-1525 or 909-859-2040.



IVAR Member Services: 951.684.1221 | Rancho Cucamonga: 909.527.2133 | Office FAX: 951.684.0450

Jan through Oct 2018 - YTD Comparisons

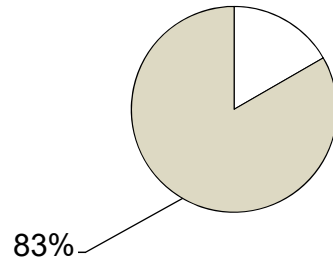
Inland Valleys Regional Summary

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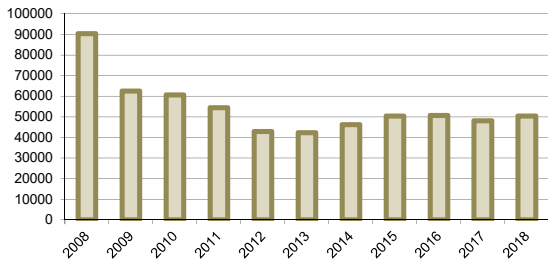
We are 10 months through the year:

The statistics shown below are for all 10 months of the years represented.

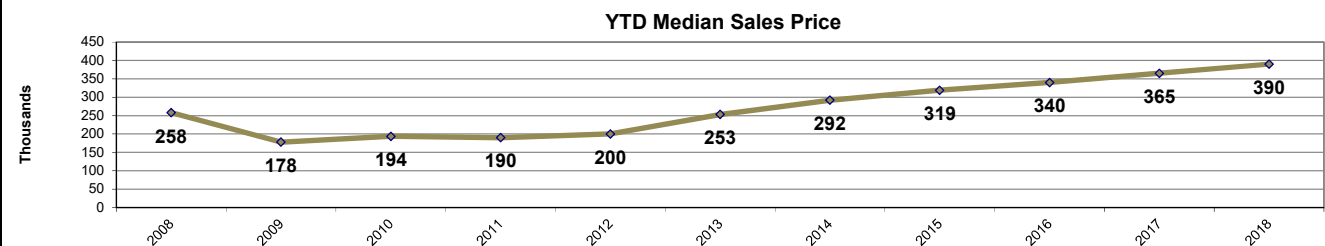
Month to month comparisons give you a quick way to see what is recently changing in the region. However, by comparing Year-To-Date (YTD) information across several years, you can observe more significant trends.



	Jan-Oct 2017	Jan-Oct 2018	Year-Over-Year Change
YTD New Listings			
New Listings	48,113	50,446	↑ 4.8%
Pending Sales	39,209	36,170	↓ -7.8%
Sold Listings	37,565	34,647	↓ -7.8%
Median Sales Price	\$365,000	\$390,000	↑ 6.8%
Sales Volume (\$M)	\$14,797	\$14,821	↑ 0.2%
Price/Sq.Ft.	\$203	\$220	↑ 8.3%
Sold \$/List \$	99.37%	99.36%	↓ 0.0%
Days on Market	20	19	↓ -5.0%
CDOM	22	21	↓ -4.5%



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Oct 2018 City Overview

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As a service and convenience to our members, IVAR is pleased to offer several "Quick Look" reports. This is one more way for IVAR members to stay informed with minimal effort.

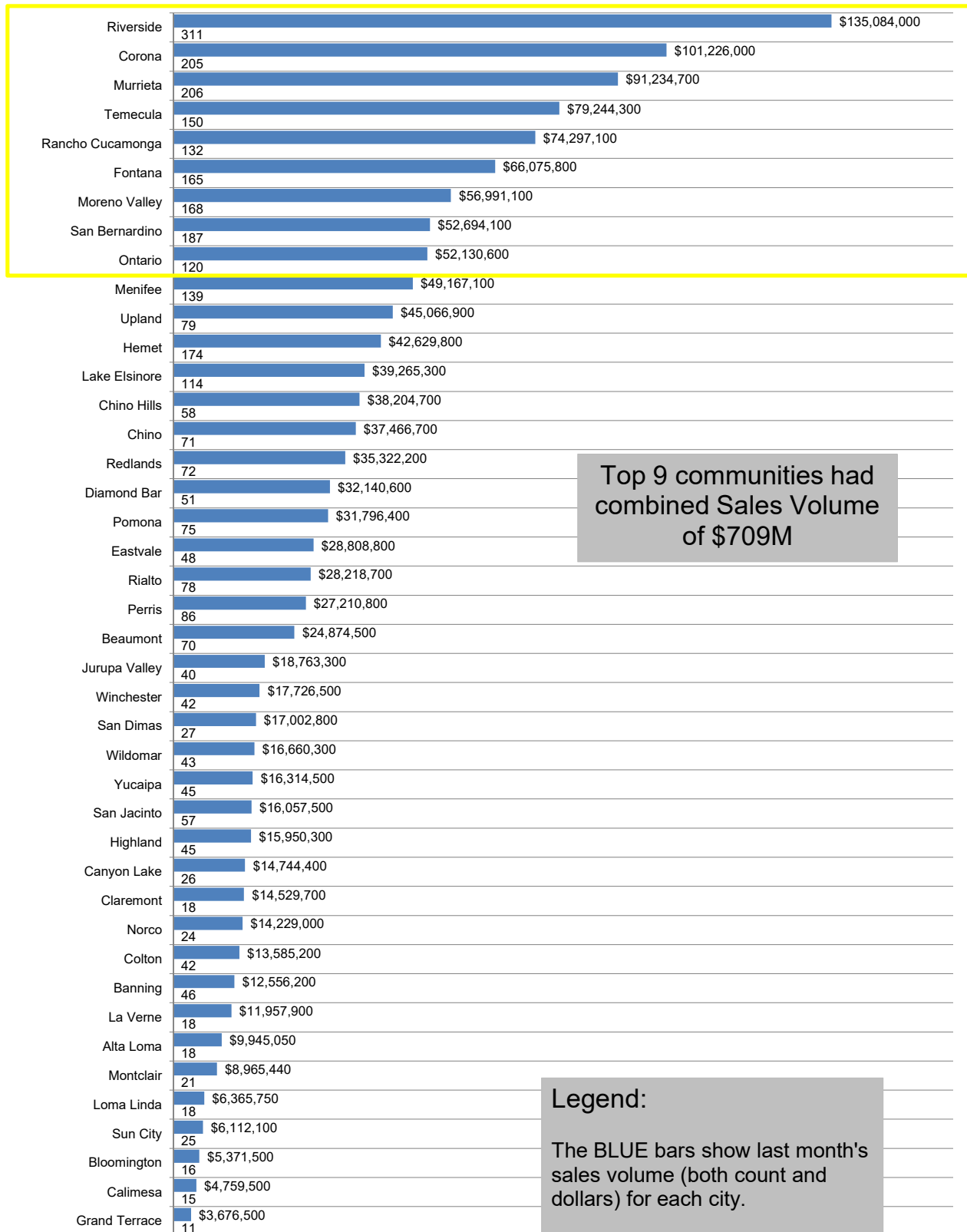
The following monthly data shows "YEAR-OVER-YEAR" (YOY) changes as well as current conditions in the real estate market

	YOY Sales Transactions	YOY Median Sales Price %	Median Sales Price \$	Inventory	Price per Sq.Ft.	Total Days on Market
Alta Loma	↓ -5%	↓ -5%	\$ 560,500	24	\$ 299	38
Banning	↓ -10%	↑ 7%	\$ 257,500	76	\$ 201	29
Beaumont	↑ 1%	↑ 15%	\$ 349,828	94	\$ 159	32
Bloomington	↓ -16%	↑ 5%	\$ 335,500	26	\$ 221	30
Calimesa	↔ 0%	↓ -12%	\$ 309,000	19	\$ 190	51
Canyon Lake	↑ 37%	↓ 0%	\$ 424,950	61	\$ 207	68
Chino	↔ 0%	↑ 10%	\$ 499,999	125	\$ 257	45
Chino Hills	↓ -12%	↑ 1%	\$ 656,500	105	\$ 337	28
Claremont	↓ -36%	↑ 3%	\$ 665,000	31	\$ 353	42
Colton	↑ 14%	↑ 7%	\$ 325,000	70	\$ 219	25
Corona	↓ -11%	↑ 3%	\$ 469,900	356	\$ 254	30
Diamond Bar	↓ -23%	↑ 3%	\$ 627,000	95	\$ 376	37
Eastvale	↓ -4%	↑ 4%	\$ 598,500	95	\$ 200	33
Fontana	↑ 11%	↑ 4%	\$ 390,000	253	\$ 234	26
Grand Terrace	↓ -42%	↓ -6%	\$ 335,000	16	\$ 222	48
Hemet	↑ 2%	↑ 11%	\$ 259,950	280	\$ 154	36
Highland	↓ -8%	↓ -4%	\$ 359,000	89	\$ 215	20
Jurupa Valley	↑ 18%	↑ 14%	\$ 477,500	82	\$ 254	31
La Verne	↓ -31%	↑ 7%	\$ 652,500	29	\$ 401	25
Lake Elsinore	↑ 13%	↓ -2%	\$ 357,845	179	\$ 187	33
Loma Linda	↑ 64%	↑ 10%	\$ 372,500	22	\$ 238	15
Menifee	↑ 2%	↑ 4%	\$ 369,000	261	\$ 188	41
Montclair	↓ -22%	↑ 7%	\$ 440,000	28	\$ 271	21
Moreno Valley	↓ -20%	↑ 8%	\$ 334,000	306	\$ 190	22
Murrieta	↓ -6%	↑ 4%	\$ 420,750	364	\$ 193	35
Norco	↓ -4%	↑ 9%	\$ 577,950	42	\$ 288	29
Ontario	↓ -10%	↑ 13%	\$ 432,500	159	\$ 286	24
Perris	↓ -4%	↑ 4%	\$ 304,000	169	\$ 179	24
Pomona	↓ -18%	↑ 8%	\$ 425,000	94	\$ 316	22
Rancho Cucamonga	↓ -11%	↑ 7%	\$ 512,500	207	\$ 287	38
Redlands	↓ -18%	↑ 6%	\$ 401,500	101	\$ 251	24
Rialto	↑ 20%	↑ 10%	\$ 362,450	106	\$ 216	34
Riverside	↓ -1%	↑ 9%	\$ 407,000	697	\$ 241	28
San Bernardino	↓ -4%	↑ 9%	\$ 280,000	292	\$ 207	20
San Dimas	↑ 17%	↓ -12%	\$ 614,000	43	\$ 359	40
San Jacinto	↓ -7%	↑ 12%	\$ 304,000	108	\$ 149	23
Sun City	↓ -4%	↓ -1%	\$ 239,900	35	\$ 178	31
Temecula	↓ -25%	↑ 6%	\$ 477,200	298	\$ 221	38
Upland	↓ -11%	↑ 7%	\$ 560,000	123	\$ 285	23
Wildomar	↓ -16%	↑ 1%	\$ 365,000	64	\$ 183	32
Winchester	↑ 2%	↑ 2%	\$ 407,500	78	\$ 184	47
Yucaipa	↓ -35%	↓ -3%	\$ 350,000	85	\$ 216	34

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Oct 2018 - Sales Volume per City

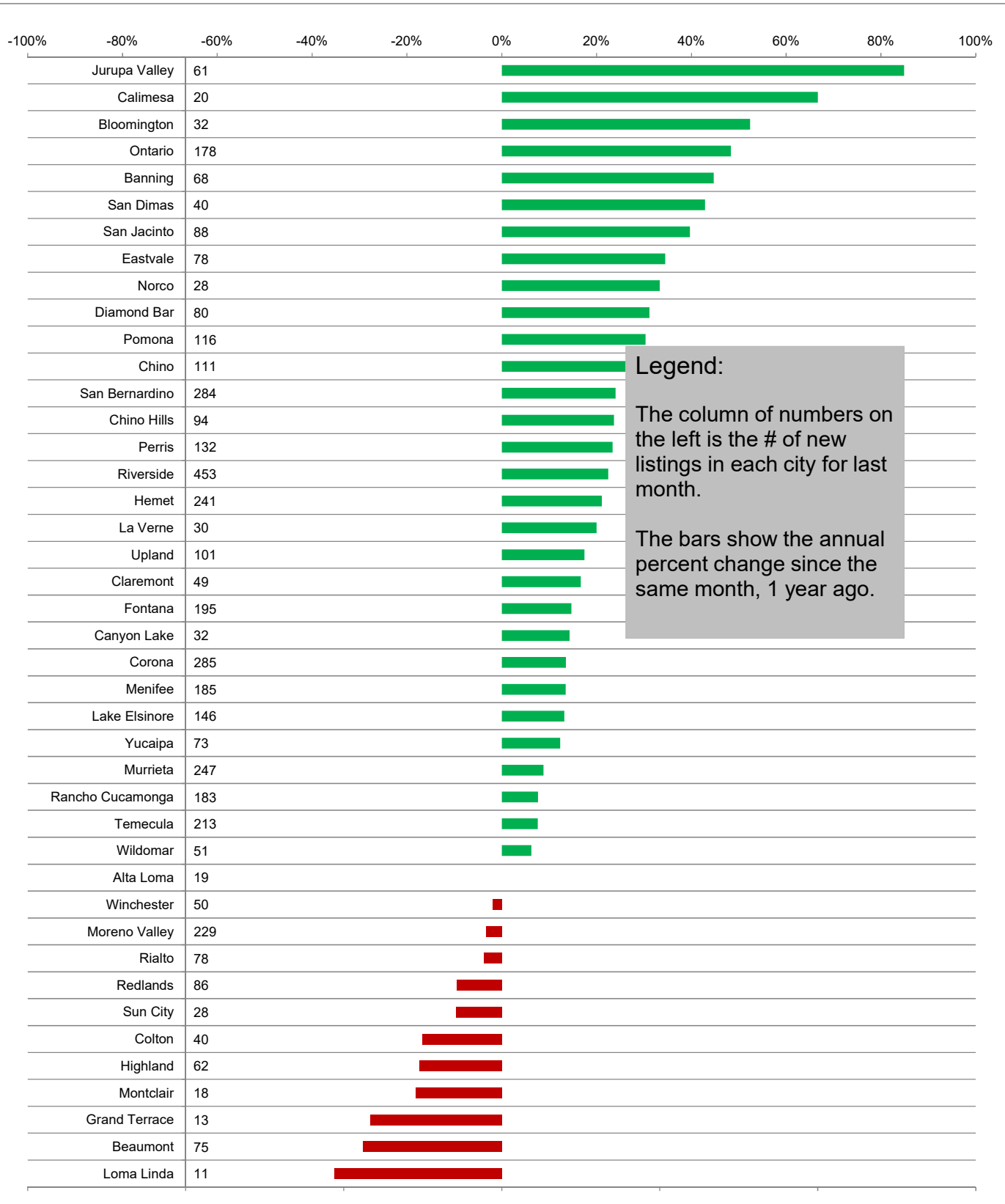
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Oct 2018 - Top Communities with New Listings (year-over-year)

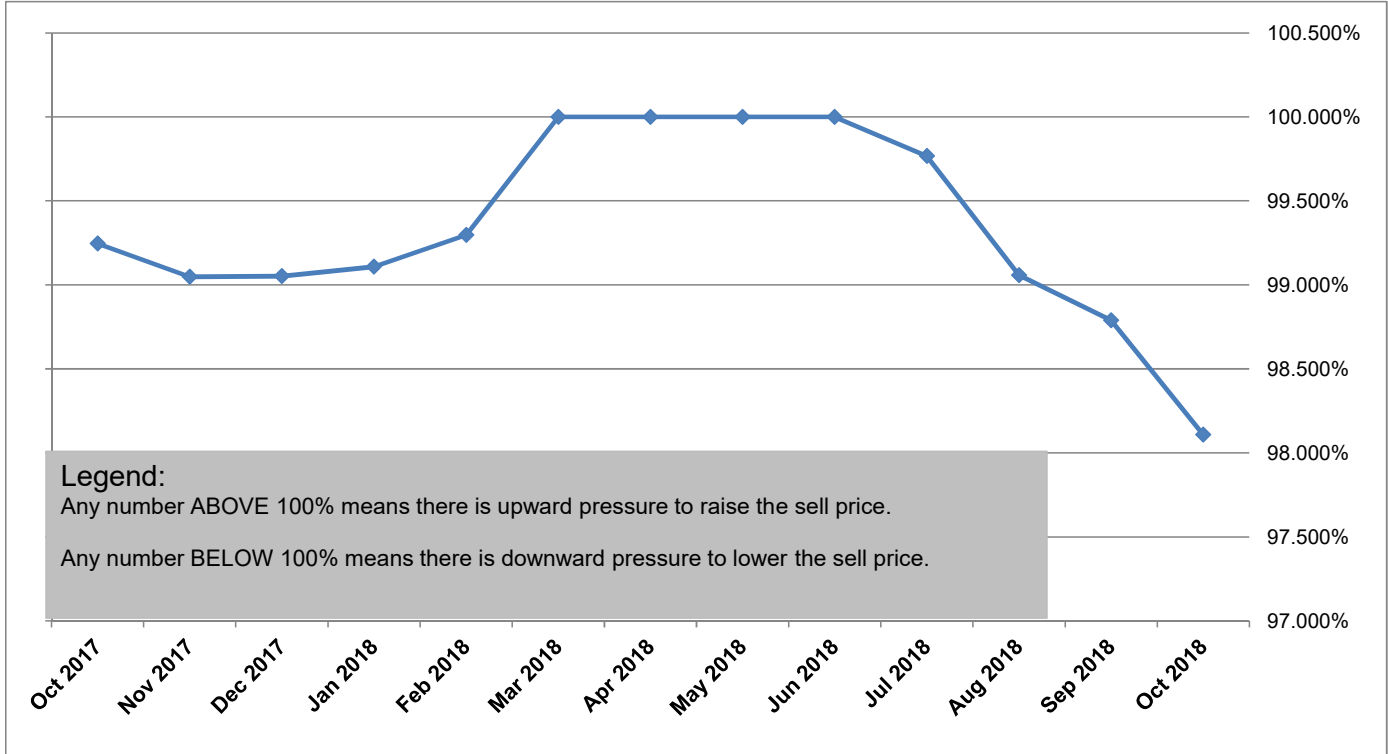
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Sell Price vs Original List Price

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This report is brought to you by IVAR:

As a service to the more than 4 million residents of the Inland Empire, the **Inland Valleys Association of Realtors®** is proud to distribute this data report on the housing market in the 50 communities served by our Realtor Members.

The core purpose of IVAR is to help its members become more professional and profitable, while promoting and protecting real property rights.

FINANCE TYPE

